

<u>PROPANEINSIDER</u>

from the RAILROAD COMMISSION OF TEXAS

June 2007

Elizabeth A. Jones, Chairman ★ Michael L. Williams, Commissioner ★ Victor G. Carrillo, Commissioner

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Propane SuperStars

Show your exceptional customers just how much you appreciate their business by nominating them as Propane SuperStars. If you have a SuperStar customer, submit their nomination on the enclosed form by June 30. Besides honoring outstanding users of propane, these awards provide an avenue for you to publicize your company and your customers' reasons for choosing propane in your local media. For more information or assistance in completing a nomination, contact your area marketing representative or call (800) 64-CLEAR.

2006-2007 Training Site Honor Roll

AFRED thanks the following 26 organizations that donated a total of 42 facilities for 8-hour classes and qualifying examinations during the past year. Each of these companies and agencies will receive a certificate of appreciation for supporting propane safety in Texas and helping to keep marketers' cost of compliance low:

Automatic Gas Co., BayGas Propane, Calder Baptist Church, City of Fort Worth, Cuero Propane, Davis Air Conditioning, Foretravel, Funtime RV, Gander Mountain, Gas Equipment Co., Masonic Lodge, McClain's RV, R & W Supply, Railroad Commission District Offices, Sears, Shady Pines RV, Tarantino Properties, Texas Commission on Environmental Quality, Texas Department of Transportation, Texas State Technical College, Travelers' World RV Park, Triple C Steak House, U-Haul, University of Texas of the Permian Basin, Wells Fargo Bank, Zentner's Steak House

Propane Insider by E-mail

At the suggestion of Houston marketer Joe Green, the Propane Insider will be available by e-mail to marketers who prefer that option. Marketers who choose the e-mail option will receive their copies at least one week early. To switch to electronic delivery, contact your area marketing representative or call Eileen Latham at (800) 64-CLEAR or e-mail her at eileen.latham@rrc.state.tx.us.

Fiscal 2007 as of June 4, 2007

REBATE TYPE	REBATE AMOUNT	PAID	PENDING
Water heaternew construction	\$150	\$258,300	\$11,400
Water heaterelectric replacement	\$300	\$45,450	\$1,200
Propane Star Home	\$550	\$129,250	\$2,750
Propane SuperStar Home	\$750	\$105,000	\$3,000
TOTAL CONSUMER REBATES		\$538,000	\$18,350

Delivery-Fee Collections

Collections through June 1 totaled \$1,796,366, which is 1 percent lower than the average of previous years' collections at that date. As of May 26, heating degree-days for Texas as a whole were 1 percent below (i.e., warmer than) normal levels for the 2006-2007 heating season.

Save the Date: Wednesday, September 12

That's the day for the Fourth Annual Texas Propane Technology Forum at the William B. Travis building (Railroad Commission headquarters) in Austin. Once again, attendees will hear a full day of first-hand presentations from the engineers and entrepreneurs who are developing new technologies for propane's



September 12, 2007 • Austin, Texas

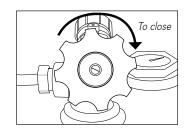
residential, agricultural and engine-fuel markets.

Next 6.1 Regulatory Update Class is Thursday, September 13

AFRED's popular compliance course for propane executives and managers will be held at RRC headquarters the day after the technology forum. Among other updates, this year's class will include a presentation from the Internal Revenue Service about the newly implemented federal Alternative Motor Vehicle Tax Credit. The credit covers up to 80 percent of the incremental cost of purchasing an eligible propane bobtail or other eligible propane vehicle.

New Safety Outline: Gas Leaks

Last month AFRED posted the first in a 12-part series of outlines and handouts for marketers to use as they see fit in their in-house safety programs. This month's topic is gas leaks. To download these materials, go to



www.propane.tx.gov and click on "Marketer Safety Meeting Outlines."

Customer Safety Bulletins

This month AFRED is also posting the first in a new series of one-page safety bulletins intended to help educate propane consumers. The first bulletin in the series, on the use and misuse of industrial truck cylinders, is included in this issue of the Propane Insider.

To download this and future bulletins, go to www.propane.tx.gov and click on "Customer Safety Bulletins." Got an idea for a bulletin topic? Call (512) 463-6930 or e-mail thomas.petru@rrc.state.tx.us.

AFRED Advisory Committee Meeting June 13

You are invited to attend the AFRED Advisory Committee meeting at 9:00 a.m. Wednesday, June 13, at the AFRED Training Center, 6506 Bolm Road, Austin. The committee will consider recommendations for consumer rebates for fiscal 2008, which begins September 1.

Safety Division Regulatory Update

On May 10, 2007 the U.S. Department of Transportation issued a Notice of Suspension for DOT-SP 13957 composite cylinders. The suspension prohibits the continued use of any DOT-SP 13957 33-lb. WC cylinders and new manufacture of any cylinder size or type under DOT-SP 13957 after May 10, 2007.

This suspension does NOT extend NOR prohibit the use of 20-lb. WC cylinders manufactured, marked, and certified prior to May 10, 2007. Additional information regarding this Notice of Suspension may be found at http://hazmat.dot.gov/sp_app/approvals/tlcci.pdf

All licensees engaged in cylinder-filling activities are asked to advise their employees and customers to immediately remove from service all 33-lb. composite cylinders marked DOT-SP 13957. These 33-lb. cylinders are typically used for fueling forklifts.

2007 Cease-Ops Letters

Cease-operations letters will be mailed on June 8 to persons whose certification has lapsed due to failure to pay their annual renewal fee or failure to complete a required training or continuing-education class by their May 31, 2007, deadline.

Persons who receive cease-ops letters and wish to resume performing LPG activities must pay any annual renewal fees and/or \$20.00 late fees due and comply with all applicable training and continuing-education (CE) requirements.

Complete information about fees and training requirements is available on the Commission's web site at www.rrc.state.tx.us. Under "Agency Services," click on "Training & Certification." The web site answers frequently asked questions and includes a current class schedule and online class registration form. The fee for an 8-hour class for an uncertified person is \$75.00.

For questions about training or continuing education requirements, please e-mail thomas.petru@rrc.state.tx.us or call (512) 463-6930. For other questions about certification, please e-mail rayfield.hearne@rrc.state.tx.us or call (512) 463-6845.

PROPANE POINTERS

Capping and Plugging of Outlets

Each month AFRED's hunting-dog mascot points to a section of LP-gas code or standard that the Safety Division's LP-gas inspectors often find violated. The "point" of these articles is to facilitate compliance by making marketers more aware of these issues.

This month's article covers a standard that RRC inspectors cited 263 times in the last three years. The standard is NFPA 54 (1999) §5.5.4, requiring a manual shutoff valve or convenience outlet to be installed within 6 feet of the appliance served.

NFPA 54 (1999) §5.5.4 states: "Gas utilization equipment connected to a piping system shall have an accessible, approved manual shutoff valve with a nondisplaceable valve member, or a listed gas convenience outlet, installed within 6 ft (1.8 m) of the equipment it serves. Where a connector is used, the valve shall be installed upstream of the connector. A union or flanged connection shall be provided downstream from this valve to permit removal of controls. Shutoff valves serving decorative gas appliances shall be permitted to be installed in fireplaces if listed for such use."

The most common violations of §5.5.4 are:

- No shutoff valve installed.
- Shutoff valve installed downstream of connector.
- Shutoff valve not accessible or valve not installed within 6 feet of the equipment.
- Shutoff valve with a displaceable valve member installed. Even if an outlet was capped or plugged as required, this type of valve could still leak if pressure was applied to the spring and nut.



Figure 1 Approved shutoff valve with a nondisplaceable valve member.



Figure 2 Unapproved shutoff valve. The spring and nut are located outside the valve body.

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FAX: LP-Gas Safety Section	(512)4	463-7319

Hazmat Transportation Security Awareness Training

Marketers attending AFRED's Regulatory Compliance Update class in Tyler received a free copy of the Department of Transportation's Hazmat Transportation Security Awareness Training (revised edition) on CD.

This CD is also available free in limited quantities from DOT's Pipeline and Hazardous Materials Safety Administration. Completion of this training module and the interactive test will fulfill DOT's security awareness training requirement.

You can order the CD online at https://hazmatonline.phmsa.dot.gov/services, by fax at (202) 366-7342, by telephone at (800) 467-4922 ext. 3 or (202) 366-2301, or by mailing a request to USDOT/PHMSA/PHH-50, 400 Seventh Street, SW, Washington, D.C. 20590.

Railroad Commission of Texas - AFRED Examination and Class Schedule, June-July 2007.

Walk-in exams every business day, 8 a.m.-12 noon, at 6506 Bolm Road, Austin 78721

City	Course Title	Facility	Address	Exams
Austin	1.1 Introduction to Propane	RRC	6506 Bolm Road	Students only
El Paso	EXAMS ONLY	RRC	401 Franklin Ave	8:00 a.m.
Austin	2.1 Dispenser Operations	RRC	6506 Bolm Road	Students only
Corpus Christi	2.1 Dispenser Operations	RRC	10320 IH 37	NO EXAMS
Corinth	3.8 RV Gas Appliances	McClain's RV	5601 S. Stemmons Frwy	Students only
Corpus Christi	3.11 Residential System Inspection	RRC	10320 IH 37	NO EXAMS
Mesquite	1.1 Introduction to Propane	TxDOT	4777 E. Hwy. 80, Room 3B	NO EXAMS
Corpus Christi	EXAMS ONLY	RRC	10320 IH 37	8:00 a.m.
Mesquite	1.1 Introduction to Propane	TxDOT	4777 E. Hwy. 80, Ellis Room	NO EXAMS
Garland	EXAMS ONLY	RRC	1546 Rowlett Rd. Ste. 107	8:00 a.m.
Austin	1.1 Introduction to Propane	RRC	6506 Bolm Road	Students only
Austin	2.1 Dispenser Operations	RRC	6506 Bolm Road	Students only
Kilgore	1.1 Introduction to Propane	RRC	619 Henderson Blvd	Students only
Houston	1.1 Introduction to Propane	TxDOT	7721 Washington Ave Main Bldg	NO EXAMS
Midland	2.1 Dispenser Operations	RRC	10 Desta Drive	Students only
Houston	EXAMS ONLY	TxDOT	7721 Washington Ave Main Bldg	8:00 a.m.
Midland	EXAMS ONLY	RRC	10 Desta Drive	8:00 a.m.
Austin	1.1 Introduction to Propane	RRC	6506 Bolm Road	Students only
Austin	2.1 Dispenser Operations	RRC	6506 Bolm Road	Students only
Austin	1.1 Introduction to Propane	RRC	6506 Bolm Road	Students only
Wichita Falls	3.3 Appliance Conversion, Install, Vent	Wells Fargo	2301 Kell Blvd.	Students only
Wichita Falls	3.2 Residential System Installation	Wells Fargo	2301 Kell Blvd.	Students only
Garland	EXAMS ONLY	RRC	1546 Rowlett Rd.	8:00 a.m.
Wichita Falls	EXAMS ONLY	RRC	901 Indiana Ave. Ste 600	8:00 a.m.
Amarillo	3.11 Residential System Inspection	TxDOT	5715 Canyon Drive	NO EXAMS
Kilgore	3.3 Appliance Conversion, Install, Vent	RRC	619 Henderson Blvd	Students only
Houston	2.1 Dispenser Operations	U-Haul	8518 Hwy 6 South	Students only
Kilgore	2.1 Dispenser Operations	RRC	619 Henderson Blvd	Students only
Amarillo	2.1 Dispenser Operations	TxDOT	5715 Canyon Drive	NO EXAMS
Houston	EXAMS ONLY	TxDOT	7721 Washington Ave Main Bldg	8:00 a.m.
Kilgore	EXAMS ONLY	RRC	619 Henderson Blvd	8:00 a.m.
Amarillo	EXAMS ONLY	TxDOT	5715 Canyon Drive	8:00 a.m.

Register online for exams or classes at www.rrc.state.tx.us. Click on "Training & Certification." No examinations will be given out after 9:00 a.m.

For the latest schedule information about both exams and training/continuing education classes, go to www.rrc.state.tx.us. Click on "Class/Exam Schedule."



To enter, complete the information below and return this form to the Railroad Commission of Texas/Alternative Fuels Division, Attn: SuperStar Awards, P.O. Box 12967, Austin, TX 78711-2967 no later than 5 pm CDT on June 30, 2007.

Contact Name	::
City/State/Zip:	:
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) LET NAME AND FAX NUMBER PRESS RELEASE IS TO BE SENT TO:
MEDIA OUTI	
SuperStar Cat Please descriusing propai	LET NAME AND FAX NUMBER PRESS RELEASE IS TO BE SENT TO:
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SuperStar Cat Please descriusing proparon why they	tegory Nameibe how your nominee uses propane in an outstanding way. Include length of the and general description of business. Please include actual quotes from noming chose propane and or a positive experience with propane.
SuperStar Cat Please descriusing proparon why they	tegory Name ibe how your nominee uses propane in an outstanding way. Include length of to and general description of business. Please include actual quotes from nomine those propane and or a positive experience with propane.

The Alternative Fuels Research and Education Division (AFRED) will honor your outstanding propane customers through the SuperStar Awards program. The Railroad Commission presents these awards each year to Texas businesses, public agencies and other organizations that have found innovative ways to use propane as an environmentally beneficial fuel.

NOMINATE YOUR CUSTOMERS

The SuperStars program provides an opportunity for you to publicly salute your best customers. AFRED will distribute press releases and arrange for special news coverage for both the nominating propane marketer and the SuperStar winner. Marketers whose customers have won past SuperStar awards report an increased local interest in using propane as a result of this coverage.

HOW TO ENTER

Complete the form on the back on behalf of your SuperStar customer. You may nominate more than one customer, but please use a separate form for each entry. Your answers are the basis for selection. There is no fee to enter the contest. The deadline for entry is June 30, 2007.

JUDGING

The consumer members of the AFRED Advisory Committee will judge the entries. The panel will review each official entry, looking not only for outstanding users of propane, but also for individuals or companies who have been strong propane advocates. Please attach copies of any press clippings, articles, pictures, special awards or other materials that highlight your nominees' successes.

Entries will be judged on originality, commitment to the environment and the reason to convert to or use propane. More than one winner may be selected in each category. If the judges deem no entry worthy of an award in a category, none will be given. All decisions of the judges are final.

SUPERSTAR CATEGORIES

1. Fleet

Recognizes private, public or nonprofit propane fleets that have made outstanding contributions to the use of propane as a motor fuel.

2. Builder/Contractor

Recognizes builders or contractors who display a unique commitment to building homes and/or other facilities fueled by propane.

3. Outstanding Longtime User

Recognizes individuals or companies who have continued to make outstanding contributions to the propane industry. Nominees must have used propane for at least three years to be considered.

4. Commercial/Industrial

Recognizes individuals or companies who have made advances in propane use in one or more of these markets.

5. Agricultural

Recognizes individuals or companies who have made advances in propane use in one or more of these markets.

6. Special Award

Recognizes individuals or companies who have developed innovative safety, public education, research or marketing programs for propane.

MISUSE OF PROPANE FORKLIFT CYLINDERS

PROPANE SAFETY BULLETIN

It is not safe to use a forklift-type propane cylinder to fuel appliances like outdoor cookers, heaters, shrink-wrap guns or fireplace logs. These appliances are designed to use propane vapor. Forklift cylinders supply propane liquid. Exposure to liquid will cause injury and will subject the appliance system to excessive pressure and the possibility of leaks and fire or explosion.

Propane cylinders are designed for specific uses and are not interchangeable. If a cylinder does not connect readily to an appliance or equipment, do not try to connect it. Contact your propane supplier.

Vapor Service

Figure 1 shows the proper type of cylinder for appliances. This type of cylinder supplies propane vapor for cookers, portable heaters, gas logs and camping equipment.



Figure 1 Appliance Cylinder VAPOR SERVICE

Liquid Service

Figure 2 shows a forklift cylinder. This type of cylinder supplies propane liquid for forklifts and other types of specialized equipment powered by internal-combustion engines.



Figure 2 Forklift Cylinder

LIQUID SERVICE

To ensure that your propane system operates safely, be sure to read and comply with all warnings, recommendations and instructions posted on the cylinder and/or the manufacturer's instructions and recommendations.

JUNE 2007

MARKETERS MAKING NEWS



AFRED partnered with Palm Harbor's VP of Engineering Bert Kessler, Lorraine Coleman of Modern Propane, Henry DeLima with DeLima Associates and Craig Messmer (Unico) to demonstrate a combination water and space heating for propane manufactured



George Pimpton with Pimpton's Landscaping says propane mowers give his company the edge in competing for city and county mowing contracts. AFRED estimates his savings at \$1800 a year compared to gasoline. Each mower uses about 2,000 gallons annually, mostly in the summer.



Marketers praised AFRED's 6.1 Regulatory Compliance classes at Gander Mountain in Tyler. Typical marketer comments included "liked format of different speakers," "well-planned and informative," "this class was conducted very well; y'all did a great job!" and "today was very insightful and helpful-thank you!"



AFRED's Heather Ball, Ferrellgas' Tracy O'Brien and Rodger McCants and Everard Droemer of Dixie Chopper put the propane lawnmower through its paces.



More than 60 marketers attended AFRED's 6.1 Regulatory Compliance Update classes in Tyler to get the latest information affecting their businesses. Presenters included the Tyler Area Builders Association, Texas Department of Agriculture, Texas Department of State Health Services, Texas Department of Public Safety, the U.S. Department of Transportation and the Railroad Commission.



AFRED's Heather Ball and Mike Stone, Alternative Fuel Systems, discuss with Mike Joyce, Travis County fleet manager, and Curtis Donaldson, CFUSA, how to access the 50-cent per gallon propane tax credit by converting his equipment to propane.